

**Efficiency Maine Trust
Board Meeting Minutes
March 22, 2017**

Trust Board Members:

- Dan Brennan
- Brent Boyles (via phone)
- Herbert Crosby (via phone)
- Kenneth Fletcher
- Al Hodsdon
- David Stapp

Efficiency Maine Trust (EMT) Staff:

- Joy Adamson
- Nat Blackford
- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Dana Fischer
- Greg Leclair
- James Leyko
- Michael Stoddard

Other Attendees:

- Deborah Manning, Emera Maine
- James LaBrecque
- Dylan Voorhees, NRCM

1.0 Welcome and Introductions

Mr. Fletcher called the meeting to order at 9:33 a.m.

2.0 Approve Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Brennan), the Board voted unanimously to approve the agenda and the February Board Meeting Minutes.

3.0 Public Comment on Agenda Items

Mr. LaBrecque expressed concern about EMT's approach to processing heat pump rebates. He asserted that contractors are required to provide EMT with proof of a customer's payment before obtaining a rebate which can present a challenge if a customer delays payment to or fails to pay their heat pump installer. Mr. Fischer stated that this situation is a rare occurrence in the Home Energy Savings Program (HESP); contractors typically require a deposit from the customer and engage a "mechanic lien" to collect outstanding payments. Mr. Stoddard suggested EMT Staff report back to the Program Committee on this issue, as appropriate. Mr. Stoddard also noted that Mr. LaBrecque's repeated assertion that heat pumps generate a dividend for EMT is incorrect. Mr. Fletcher volunteered to review the relevant calculations with Mr. LaBrecque.

Mr. Voorhees spoke to the uncertainty surrounding certain portions of EMT's budget. First, Regional Greenhouse Gas Initiative (RGGI) revenues are drastically lower than expected. Second, current federal budget proposals would eliminate funding for the Low-Income Heating Assistance Program (LIHEAP) and the Weatherization Assistance Program, which could affect EMT's Low-Income Home Energy Savings Program (LIHESP). He noted the value of maintaining stability in the marketplace. Mr. Voorhees also urged the Board to seek formal guidance from the Legislature regarding incentives for efficiency projects that may be proposed in recreational cannabis operations.

4.0 Executive Director's Report

Mr. Stoddard summarized the Executive Director's Report. Following are items highlighted during his presentation:

- Mr. Stoddard highlighted recent improvements in Call Center management. EMT Staff have established strict protocols to ensure that operators cite current information (vetted scripts and web-based material) and avoid improvisation. He reported that EMT Staff conduct periodic reviews of call recordings to identify areas for improvement. Mr. Stapp noted that his colleague recently placed a call to inquire about combined heat and power (CHP) incentives, and the operator was unable to help him. Mr. Stoddard said EMT Staff would follow up immediately to ensure the operators are informed; program-specific inquiries are generally forwarded to the appropriate technical delivery team.
- Mr. Stoddard pointed to recent press involving EMT. When asked to explain his refusal to sign the State's FY2017 Supplemental Budget, the Governor cited the budget's increase in funding for EMT. The coverage implied that the Governor made this comment out of concern for Maine's high electricity costs. Mr. Stoddard clarified that this increase reflects the revised natural gas assessment established by the Public Utilities Commission (PUC) after several months of deliberation, and has no impact on electricity rates.
- Activity is ramping up in the Legislature's Energy, Utilities and Technology (EUT) Committee. Mr. Stoddard recently provided a briefing on the status of RGGI revenues and the implications for EMT programs. He now expects to see discussion surrounding potential solutions begin in earnest. EMT also provided testimony on a bill that codifies a permanent exemption from the natural gas assessment for "large volume users." EMT Staff will continue to track the bill in the coming weeks.
- Mr. Stoddard stated that he submitted written testimony to the Legislature's Marijuana Legalization Implementation Committee regarding the potential impact of the commercial growing of cannabis on Maine's electric grid as well as opportunities for energy efficiency to mitigate that impact. The letter sought guidance from the Legislature on whether and how EMT could offer incentives to this industry. It also noted that EMT is available to work with policymakers to explore other alternatives – such as building energy code or permitting requirements – that could help ensure that new growing facilities are as efficient as possible.

- Mr. Stoddard stressed that the Commercial and Industrial (C&I) Custom Program will not approve incentives to commercial growing operations for recreational cannabis until EMT receives further guidance from either the Board or the Legislature. He noted, however, that the C&I Prescriptive Program cannot reasonably provide this same level of project screening. Mr. Stoddard further distinguished between recreational and medical cannabis industry projects. It is the Staff's understanding that licensed medical cannabis operations are legal in Maine and will not be subject to enforcement actions by the federal government. He noted that federal law (specifically the Rohrabacher-Farr amendment) prohibits the Justice Department from spending funds to interfere with the implementation of state *medical* cannabis laws. Mr. Brennan stated that there is a notable difference between an instruction not to enforce and fundamental legality. Mr. Stapp echoed this sentiment, arguing that EMT should not be involved with anything that is at odds with federal law. Furthermore, the Rohrabacher-Farr amendment must be renewed annually to remain in effect, so future applicability is uncertain. Mr. Fletcher stated that he is more concerned with incentives for recreational operations; he indicated that medical cannabis operations should be treated like any other customer. Nevertheless, he advised against targeted outreach efforts and encouraged EMT to remain neutral. Mr. Stoddard said EMT would continue to seek guidance on this issue and report back to the Board. He stressed that EMT Staff is eager to solidify a principled approach that balances the Board's concerns with the statutory mandate to harvest all energy efficiency that is cost-effective, achievable, and reliable.
- Mr. Stoddard highlighted the portion of the report that summarizes the Program Committee's recent discussion on CHP. Moving forward, EMT will calculate two cost-effectiveness tests for these projects: 1) the Total Resource Cost (TRC) test and 2) the Participant Cost test. The TRC calculation remains unchanged, continuing to apply the methodology and assumptions approved for use in Triennial Plan III. The Participant Cost test includes such variables as operations and maintenance costs and the retail cost of electricity, and provides important information to the customer to help them determine whether a project is worth pursuing. Mr. Crosby requested a copy of the Participant Cost test calculations for the next project to come through the program.

5.0 Committee Report

(a) Finance Committee

i. REPORT on Monthly Revenues and Expenditures Report

Mr. Leclair briefed the Board on revenues to date. He noted that the third RGGI auction was held on March 18, generating \$1.55 million in revenue. This is roughly \$10,000 short of EMT's current forecast. Highlights of expenditure activity is covered in the Executive Director's Report.

ii. REPORT on Proposed FY2018 Budget Process

Mr. Eglinton provided an overview of the FY2018 budget development process. The proposal envisions three opportunities for the Board to weigh in on budget

development before a final vote at the May Board Meeting. Mr. Eglinton noted that EMT Staff would schedule additional meetings should the Board request it.

Mr. Eglinton presented the forecasted FY2018 Budget without carryforward, based on the Annual Update submitted to the PUC. Mr. Stapp asked why administration expenses increase from \$2.7 to \$3.5 million. Mr. Leclair suggested that the FY2018 figure is based on a formula applied to total revenues, which are forecasted to be higher in FY2018.

iii. APPROVE Updates to Personnel Manual

Mr. Stoddard provided an overview of EMT's updated Personnel Manual. The substantive changes include a reworking of the anti-harassment policy, a new category in the Separation from Employment section, as well as various additions and clarifications to the Social Media policy. Mr. Brennan requested further clarification of Conflict of Interest provisions. Mr. Stoddard agreed, noting that it is within his discretion to make minor, technical changes without Board approval.

ACTION: Upon a motion duly made (Mr. Stapp) and seconded (Mr. Fletcher), the Board voted unanimously to approve the updates to the Personnel Manual.

(a) Program Committee

i. REPORT on Utility Voltage Optimization Pilot Projects

Ms. Manning provided an overview of Emera Maine's proposed Voltage Optimization pilot project. Voltage optimization refers to a strategy to reduce energy use and electrical line losses by managing (reducing) voltages where appropriate. Under this approach, voltage is diminished along a circuit but remains within an acceptable range so as not to degrade service.

Emera's pilot will test this strategy along four circuits in the Bangor area that serve a mix of commercial and residential customers. Working with a third-party vendor, Emera will lower voltage at various set points and make adjustments based on 15-minute readings from smart meters. Emera will establish a baseline by implementing the strategy every other day. Emera estimates the initiative will generate a 3% voltage reduction and save customers roughly \$600,000. Ms. Manning also noted that experiments in other parts of the country have shown a 1-4% drop in electricity usage.

6.0 New Business

None.

7.0 Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for April 26, 2017.

ACTION: Upon a motion duly made (Mr. Brennan) and seconded (Mr. Hodsdon), the Board voted unanimously to adjourn the meeting at 11:52 p.m.